A2075-19F

AMA

SERVICE

The New Competitive Edge

An American Management Association Research Report

Analysis and Commentary by John Humble

AMA Research Reports

Eric Rolfe Greenberg, Editor
Carol Canzoneri, Data Processing Associate

Library of Congress Cataloging-in-Publication Data
Service : the new competitive edge : an American Management Association research report / analysis and commentary by John Humble.
p. cm. — (AMA research reports)
ISBN (invalid) 0-08-144352-5
1. Customer service—Public opinion—Cross-cultural studies. 2. Managers—Attitudes—Cross-cultural studies. 3. Public opinion—United States. 4. Public opinion—Europe. 5. Public opinion—Japan. I. Humble, John William. II. American Management Association. III. Series.
HF5415.5.S47 1991
658.8'12—dc20 *91-19596*
CIP

© 1991 American Management Association, New York, New York

"Action Checklist for the Company and Individual Manager"
Copyright © 1990 John Humble & Co., Ltd., Jordans, Beaconsfield, Bucks, United Kingdom

All rights reserved. Printed in the United States of America.

This publication may not be reproduced, stored in a retrieval system, or transmitted in whole or in part, in any form or by any means electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of AMA Research Reports, American Management Association, 135 West 50th Street, New York, New York 10020.

First printing

ISBN 0-8144-3525-0

Price: $24.95/$22.50 to AMA members

John Humble MA (Cantab), CBIM, FIPM, FIMC is an international management consultant.

He is also a Director of the Minit Corporation and Dun and Bradstreet Ltd. He has been involved in all aspects of management for 30 years. He is a Visiting Fellow at Henley—The Management College. In the United Kingdom he pioneered the use of management training films and in all has 14 films in the U.K. and U.S.A. In recent years John Humble has concentrated on management action learning programs for large-scale use by companies in implementing strategy and changing organizational behavior.

Following joint research with the American Management Association's Brussels-based Management Centre-Europe (MCE) into managing service in Europe, he has cooperated with the AMA in its North American survey of the same subject; and with the Japan Management Association in its survey on the same topic in Japan. John Humble's books include *Improving Business Results*, *Management by Objectives in Action*, *The Effective Computer* (with C. Grindley), *The Experienced Manager*, *How to Manage by Objectives*, *The Social Responsibility of Business*, and *The Responsible Multinational Enterprise*. These books have been translated into 17 languages.

John Humble has chaired numerous MCE Conferences, including the 1988 and 1989 Top Management Forums. His distinctions include the Ford Foundation "Businessman Award"; Institute of Management; Fellowship of the International Academy of Management; and the Social Responsibility Award of Management Centre-Europe. *Business* magazine has cited John Humble as one of the 24 "Makers of Modern Management."

Contents

	Introduction	7
1.	A Return to Basics	11
2.	The AMA International Survey	21
3.	An Action Plan for the Organization	34
	Appendix: Tables	55

Introduction

This report incorporates the results of the most wide-ranging management survey, both numerically and geographically, that the American Management Association has ever performed. With customer service widely regarded as a key to competitive advantage in a global economy, the AMA set out to discover what organizations are actually doing about it. By means of an extensive questionnaire, we sought to measure the actual implementation of customer service strategies against the stated goal of "better service."

The survey effort began at AMA's Brussels-based Management Centre-Europe, where more than 1,000 managers from Western European countries were polled. Next, the questionnaire was distributed to readers of *Management Review*, resulting in 1,400 responses. Finally, with the cooperation of the Japan Management Association, the questionnaire was translated and mailed to the JMA membership; 775 Japanese managers sent back their responses.

For analysis, AMA turned to John Humble, the questionnaire's designer. An international management consultant of 30 years' experience, a director of Dun & Bradstreet Ltd. and Minit International, and a Visiting Fellow at Henley—the Management College, Mr. Humble was cited by *Business* magazine as one of the 24 "Makers of Modern Management."

But Mr. Humble's contribution goes far beyond data analysis. The first chapter of this report presents his perspectives on why customer service has come to the forefront, how competitive analysis can enhance an organization's performance in this vital area, and what first steps a company must take to bridge the gap between business strategy and corporate culture.

The second chapter displays the tabulated results of the AMA survey, with comparisons of findings from the survey's three components—European, North American, and Japanese. Dispersed among the numbers are Mr. Humble's incisive commentaries on what they mean.

The third chapter features Mr. Humble's Action Plan for the Organization, together with a practical step-by-step checklist for the company and the individual manager charged with implementing an effective customer service initiative.

Finally, in the appendix, we print selected data tables from the survey.

Here, as an introduction, is the editor's brief summary of key survey findings.

Highlights of the Study

Internationally, respondent managers agree that service is a high priority:

- 78% say improving quality and service to the customer is *the* key to competitive success.
- 92% believe that giving superior service is one of their key responsibilities, regardless of position.

Why has service reached such levels of concern? Respondents cite external pressures:

- 86% say that service is more important as a competitive differentiator;
- 83% say that competition is more fierce than heretofore; and
- 75% (including 91% of Japanese respondents) feel that customers have become more demanding.

But while our individual respondents give high priority to customer service as a key to competitive advantage, they report that actual implementation of customer service practices in their organizations lag behind the evident need. Only 56% say that service to the customer is a clear and accepted priority throughout the organization. That figure is identical in each of the three survey components: Japanese managers, no less than North American or European, tell us that performance does not match the stated objective.

So, fundamental problems remain:

- Only 22% of our respondents say that their companies seriously analyze competitors;
- 49% prepare regular reports on customer satisfaction;
- 44% "quickly eliminate bureaucracy" if it gets in the way of good customer service.

North American companies (48%) lead Japanese (42%) and European (39%) firms in cutting red tape. This is one of several instances where American and Canadian managers report a greater *personal* responsibility and authority to fulfill the commitment to customer service, as compared with the *institutional* commitment existing across the ocean. Another indication: 84% of North American managers tell us that they *personally* have the authority to use their own judgment to satisfy the customer, compared with just 68% of European respondents and a mere 34% of Japanese managers.

But the "rugged individual" approach is no substitute for an organizational commitment to better service. While two thirds of our European and Japanese respondents report a specific department dedicated to consumer affairs, only one third of North American firms do so.

Organizing for Better Service

With or without a dedicated department, there is a universal awareness that customer service is a strategic concern. 64% of all respondents report that a specific customer service strategy is part of their firm's overall strategic plan. But two other questions raise some doubts that companies truly have their hands around the issue:

- 74% feel that there is more scope in their companies to give more service power to those closest to the customer; and
- 55%—and only 47% of European managers—report that customer service is specifically included in their job descriptions and standards of performance.

Better quality and service require cooperation with suppliers. 62% of our respondents tell us that they have reviewed supplier relationships and set new quality requirements, and 17% have inaugurated electronic data interchange systems with suppliers. Often, these procedures result in a pared list of suppliers—Ford Europe reports a 25% cut in the number of suppliers in the past six years—which in turn leads to long-term "partnering" with selected vendors.

Is the Customer Satisfied?

Is it working? The only way to tell is to measure customer satisfaction—and here most companies fall short:

- 53%—and only 36% of Japanese respondents—say their companies have quantified performance standards on most key service issues.
- 49% say that reports on customer satisfaction are regularly prepared.

This is not to say that our respondents are deaf to customer concerns. More than half say that they had personally spoken directly to a customer in the week that they filled out our questionnaire, and 86% report direct customer contact within the month. But careful quantification and review of findings is not yet universal.

The favored methods of generating customer feedback—personal visits with customers by salesmen and, outside of Japan, by senior management—do not readily lend themselves to quantification. One method that does allow such study—an analysis of customer complaints—stands in far higher regard among Japanese managers than Europeans or North Americans. North American managers display a marked fondness, compared with others, for toll-free phone lines—another indication of a cultural preference for individual initiative and person-to-person dealings.

Without question, survey respondents feel a personal commitment to customer service. 93% say that giving superior service to customers is "one of my key responsibilities, regardless of my position"; only 5%—but 11% of European managers—think that service is "something for others in the organization to worry about."

But shifting from a production-driven culture to a service-oriented one calls for new behavior and skills. These do not suddenly come out of thin air; learning programs are essential.

Companies are just beginning to deal with the necessity of training in customer service skills. Consider the answers to these questions on training: only 38% of respondent firms report that managers have attended a learning/training activity on customer service, and just 31%—28% in North America and Europe—say that non-managerial personnel have undergone such training.

Though vital, learning programs alone cannot change culture. Constant reinforcement through rewards, ongoing education, viable measurement methods, and celebrations of success are equally necessary parts of the package.

1

A Return to Basics

Is today's emphasis on customer service a passing phase—yet another short-term fashion that will have its day, only to yield to the next?

Ninety percent of our international survey respondents say no. They see superior service as a key differential in the battle for the hearts and minds of the customer. Eighty percent regard improving quality and service to customers as "*the* key to competitive success."

But opinion, however widely shared, can be wrong. Here are five important reasons that come not from survey results but a wider historical perspective:

- Today's emphasis on service is a welcome and long-overdue return to basics neglected in the production-driven 1960s, the conglomeration of the 1970s, and the cost reductions and downsizings of the 1980s. Businesses lost sight of the enduring truth that they exist to secure, satisfy, and hold customers *better* than the competition.
- Traditional boundaries between service and manufacturing are eroding. A computer manufacturer spends more on service than on production. A fast-food chain is using mass production methods to provide consistency of food quality *and* service.
- We are already well advanced into the post-industrial society where, according to *The Economist*, five percent of the workforce will grow things, less than 20 percent will make things, and the balance will be in the service sector.
- The large nonprofit sector is held in disrespect as a provider to good service. Politicians and administrators with fewer resources have to face the raised expectations of citizens. Managing service better can improve performance—often at lower cost.
- There is a powerful emotional driving force from dissatisfied customers who are sick to death of that late and dirty train; the plumber who doesn't show up; the invoices that don't match the delivery sheet; the products that fail.

A Holistic View

But while many companies recognize the increasing pressures to create customer satisfaction, they often overreact with uncoordinated tactical changes. Hearing that an airline has a successful customer service training course, they rush out to buy it—without understanding that a smile is not enough if their product is of poor quality or their service ineffective. They improve customer support from its existing levels, but fail to realize that competitors are doing an even better job.

However, there is another view of managing service today, a new concept based on the holistic view that "the whole is greater than its parts." The holistic approach to service management starts, as it must, with customers and their needs, and then embraces the full range of issues that make or break satisfaction.

There must be quality standards and controls so that promises are fulfilled—and quality is defined by the *customer* through his *use* of the product, not by internal engineering standards. Price, distribution, and imaginative design are other ingredients of the "value for money" that customers constantly seek. Internally, this calls for customer orientation at every level of staff—teamwork is at the heart of a modern organization because of increasing complexities and interdependencies. Externally, the company must focus on its selected customer base.

The essence of the holistic approach is that all these separate elements are managed to produce total and harmonized service to the customer. A checklist for a company keen to adopt this concept could feature these questions:

- Who *exactly* are its customers?
- Which customer group(s) get priority?
- How does it segment the market?
- How does it know the customer's *precise* needs?

When the company examines its own service performance, it must quantify:

- What are the quality standards, objective and subjective, for each product/service?
- How does the customer *perceive* "value for money"?
- Is the design/presentation of products/services attractive?
- How quickly are products and services made available?
- What price incentives (credit, discounts, etc.) are offered?

The organization must also carefully consider the extent to which it is involved in solving customer problems—whether it really listens to them, and whether customers receive courtesy in every interaction with the company.

As it seeks to define itself and to improve its performance, the organization must look outward to its competitive position and inward as well to its management style. Key external issues involve:

- the main features that differentiate the company from competitors;
- the external image;
- the efficiency of its distribution of products and/or services; and
- the degree of after-sales support, including training and ongoing technical guidance.

Internally, management must consider:

- its trade record in improving ongoing business and innovating breakthrough products and services;
- the harmony (or, more frequently, discord) that exists between various functions and levels within the organization; and
- whether its information systems provide relevant, reliable signals of progress against objectives.

The Customer Rediscovered

Why is this reexamination necessary? Why have service standards declined to such an extent? The plain fact is that the customer was not seen as particularly important during the booming, production-driven business culture of the 1960s. Later, as recession followed the OPEC oil price increases of the 1970s, companies became more introspective, looking inward rather than outward for solutions. The new priorities became cost cutting and rationalization; the solutions computerization, workforce reductions, and mergers and acquisitions.

The ignored customer grew increasingly frustrated, angry, and resentful—and resentments were often objectively justified. Two random cases, one from either side of the Atlantic:

- OFTEL, the British telecommunications watchdog, complained in 1987 that British Telecom's standards had deteriorated across the board; its two-day repair rate had fallen to 38% of reported faults from 55% the previous year. In response, British Telecom's performance improved markedly—and rapidly.
- A 1986 *American Banker* survey showed that one customer in ten was less satisfied than previously with financial institutions. The biggest single reason: service failures, including checks not returned and frequency of errors.

With companies rarely monitoring customer complaints, much of the available information was anecdotal. But in 1985, a TARP study commissioned by the White House Office of Consumer Affairs put numbers on the problem:

- The average business does not hear from 96% of its unhappy customers. For every complaint received, the average company has 25 more with problems, six of them with serious problems.
- Of the four in a hundred who take the trouble to complain, two to three will do business again with the company *if their complaint is resolved*; if *quickly* resolved, nearly *all* will give the company return business.
- The average customer with an unresolved complaint will tell nine or ten people about it.

Armed with this information, and operating in a fiercely competitive global economy where low growth has become the standard, companies today are rediscovering the customer. In a variety of ways, from faster product innovation to motivational training, from decentralized marketing to computerized delivery systems, companies are struggling to make operational their recognition that customer service yields a competitive edge.

What do customers expect? Regardless of nationality, they expect *performance*; the product must meet specifications, the flight must arrive safely and on schedule. And they also expect to be *cared for* as human beings and treated with courtesy.

The balance varies, of course. Going to a hairdresser is a more intensive human interaction than receiving gas supplies through a pipe. Yet the two elements are always present: no matter how charming the hairdresser, the hair must still be cut well; if the gas pipe breaks, the performance of the repair crew will certainly influence the customer's view of the utility.

Beating the Competition

No matter how a company improves its service management performance, the challenge is always to do better. Customers quickly take for granted today's standards and ask for more and better service—as they should and must. And companies slow to respond or self-satisfied with current standards will soon discover competitors who are eager and willing to meet the ever-escalating demands of the marketplace.

No general willingly goes into battle without intelligence on the dispositions of the enemy, its strength and possible strategies. No chief executive should enter the competitive battlefield without imaginative and constant study of the "enemy," who has but one objective: to take away his customers.

The plain fact is that if customers continue to patronize a competitor, they must be satisfied with its performance—or at least feel that no *better* per-

formance is available. What are the sources of this satisfaction? What, in the customer's perception, really differentiates one company from another?

To discover the answers, start with some very simple actions:

- Phone your competitors and ask for some information. Then phone your *own* company and ask the same questions. Who responded efficiently? Who was courteous and helpful? On the basis of that single experience, which company would a prospective customer be likely to choose?
- If you manufacture products, buy the competitor's products. Use them. Take them apart. Give a truly objective opinion on how they compared with your own equivalent product.
- If you provide a retail service, then shop at, eat at, fly with, have your hair cut by your most respected competitor. What did you learn from that experience?
- Have many, not just a few, of your own people go through the same experience. Regularly.
- The next time you lose a major order, try to find out the true reason why it went to a competitor. Because customers tend to be polite rather than brutally frank in such circumstances, try to make it clear that you want to hear the truth of the matter. Unless you understand that truth, you are no better equipped than before to get the next order.

Working with these basic insights, you may proceed to a more serious piece of competitive analysis. Remember that your preoccupation is to see both your own company and your competition *through the eyes of the customer*. What you think matters little; what they perceive matters greatly.

What kinds of questions about a competitor need answering? Here are a few:

- If it comes to an all-out battle for customers, a prolonged price war or a heavy investment in new technology, who has the financial resources to sustain a war of attrition?
- Which of your competition's customers would you most like to win over? Why do they buy from that competitor? What added value can you offer to attract them?
- Does your competitor have fundamentally different approaches on channels of distribution? Franchising? Brand ownership?
- How does your company differ from your competitor with respect to the whole realm of marketing—advertising, merchandising, sales promotion, sponsorship, trade marketing, exhibitions and conventions, and public relations?
- Are there fundamental differences in pricing policies?
- What is your competition's technological position—not merely production technology, but the whole spectrum of information technol-

ogy, voice and data communications, and data interchange with suppliers?

- How does your record of product and service innovation over the past five years compare with theirs?
- Faced with crisis or opportunity, what does the past record suggest about your management skills and guts compared with theirs?
- Does one individual or a very small group of people have a major influence over the strategy of the competitor? What drives them? What are their personal objectives? Can you offer the rewards they now receive from your competitor?

This kind of analysis calls for the participation of many members in your own firm, not just a privileged few. The human resources manager meets a competitor's employee seeking work with your company. The production engineer attends a professional seminar and learns something about the competitor. Sales staff are in daily contact with customers who sometimes buy from you and sometimes from others. What influences their choice? The financial officer, studying the competitor's annual report, sees patterns in the figures that tell him of possible weaknesses inherent in their structure.

Large-scale participation not only gives new facts and informed opinions about the competition; it also excites and enthuses the company as a whole. Holding present customers and securing new ones in the face of fierce competitive pressures calls for total commitment.

Corporate Culture: Bridging the Gap

> "The real difference between success and failure in a corporation can very often be traced to the question of how well the organization brings out the great energies and talents of its people."
>
> Thomas H. Watson, Jr.
> IBM

> "Take care of your customers and take care of your people, and the market will take care of you."
>
> John McConnel
> Worthington Industries

A strategy for motivating and developing human resources and focusing the released energy as commitment to customer service is not an optional extra. It is the top priority for top management. Statements of beliefs and values are often seen as comfortable platitudes, and provoke a justified cynicism when these words are not put into practice. However, both research and practical experience suggest that senior management's deeply and sincerely held beliefs *are* perceived by staff and *do* influence behavior.

A president who exhorts his people to "listen to the customers" but is unwilling to listen to his own people does long-term damage to productivity and morale. Iacocca of Chrysler, Carlzon of SAS, Marriott of the Marriott Group, Sieff of Marks & Spencer, and many others believed that their staffs could share a corporate vision, and invested heavily and consistently in training and personal development. They put money and practical commitment behind their words. In time, they reaped a rich return on their investments. In time, they bridged the gap between the preexisting corporate culture and their new, customer-driven competitive strategies.

Culture is simply the assumptions, beliefs, and values that underlie the behavior of people. More colloquially, it is "the way we do things around here." When that way of doing things fails to satisfy the customer, old-line managers tend to blame everything else *but* "the way we do things around here." Some commit the ultimate sin: they blame the customers themselves.

"Creating a set of shared values is more important than organizational change," noted Robert Hayes of the Harvard Business School. He might have added that it is also the most difficult challenge any manager can face. But many companies are hard at work on the practical matter of reconciling their business strategy and their corporate culture.

Here is an actual memorandum that a respondent from an American regional financial institution clipped to his survey questionnaire. (Slight changes have been made to protect the company's anonymity.) The memo went out over the signature of a divisional president.

MEMORANDUM

To: Branch and Regional Managers and Staff

From: The President

Subject: CUSTOMER SERVICE

I recently read a book on customer service in which the author stated that in trying to get employees to practice good customer service:

—They'll *listen* to what you have to say
—They'll *believe* what you do
—They'll *do* what you reward

During the past two years we've done several things in the division in an effort to improve the quality of our customer service, including:

—posters
—articles in our newsletter
—paycheck stuffers
—meetings
—a book of standards for service
—customer satisfaction surveys
—focus group meetings with customers
—branch manager supplemental bonuses for improvement in customer satisfaction survey ratings

To all but branch managers we have "said." We have not "done." Nor have we "rewarded" good customer service.

The fact is [that] in many branches what our employees see is organizational hypocrisy—saying one thing and doing another. While on the one hand we say we want to provide excellent customer service, on the other hand we accept poor customer service and seem to do nothing about that poor service. At the same time [that] we ask our employees to provide good service, we tolerate:

—missed commitments made to our customers;
—run times that exceed requirements;
—slow service response to customer system problems;
—inconsistent handling . . .
—unresponsiveness to customer problems

[Note: The list included two additional, business-specific items, for a total of seven.]

We will never reach a high level of customer satisfaction . . . without addressing the conflicts between what we're asking for and what we're doing. What makes this especially so is that five of the seven service aspects listed above were cited by customers in the focus groups and surveys as being the most important service attributes to them.

Several of us have been meeting to address how we should approach this whole matter of providing excellent customer service to achieve a competitively superior level of customer satisfaction.

We all agree that we've got to "do" as well as "say." In the next few weeks we will be meeting further (including field personnel) in an effort to establish specific goals in the performance areas that bear on the services most important to our customers, how performances are to be measured and reported, and how to reward good performance and performance improvements.

My purpose in writing to you now is to bring this basic conflict to your attention and to say to you that we must provide excellent customer service (including the seven areas mentioned) if we are to achieve excellent customer satisfaction. We can no longer say we want to provide excellent customer service and accept poor performance in areas that are important to our customers. We'll never get our employees to do their best to provide outstanding service if the organization (we management) tolerate, or possibly even try to hide, poor service.

I realize that the performance areas mentioned are difficult to measure. It's even more difficult to reach a high level of service in each. But if these areas are important to our customers, we must do both. I'm asking you to get serious about customer service in your branch and sincerely try to improve the level of service provided in each of the areas mentioned, and:

—establish means of measuring performance in each
—set goals for improved performance
—make sure that every department and every individual understands how they can contribute
—communicate performance
—reward good performance with praise, recognition, and other rewards

We will continue to survey customers for their satisfaction with our service and communicate the results. We have announced a satisfaction index based on customer cancellations and survey results . . . We will soon be announcing a branch competition with prizes related to index achievement.

As mentioned earlier, several of us will be meeting on this matter of customer service further. Within the next few weeks, we will be announcing a division-wide approach to improving (and rewarding) customer service. Regardless of this general approach, the key to our success is the position you take and the effort you make regarding customer service.

Here is a president who faces facts, who communicates his ideas, and who intends to reform "the way we do things." In the third section of this report, we provide an action plan and checklist that will help *your* company in the same endeavor.

What is the Payoff?

Why don't more senior managers put themselves and their ideas on the line in the manner of the divisional president whose memo we present? Perhaps the answer is that managers are not certain that the investment of time and money to improve service will pay off. Yet we know that when companies concentrate on segmented markets and satisfy their customers' real needs, market share grows. In turn, market domination weakens the competition. Moreover, a company that offers differentiated, high-value goods and services is less vulnerable to classic price warfare.

A favorable corporate image is built up through a series of customer experiences, in which the level of service received is of great importance. Internally, dedication to the values of "customer first" and "outstanding quality" is intensely motivating, and builds a sense of pride. Finally, keeping close to the customers and their changing expectations is a great stimulus to creativity, and thus to faster new-product and service development.

The authoritative Profit Impact of Market Strategy (PIMS) database, developed in some 2,600 companies and carefully monitored over many years, shows conclusively that "in the long run, the most important single factor affecting a business unit's performance is the quality of its products and services, relative to those of its competitors."

Increasingly, the customer judges "quality" in terms that go beyond specific product performance or service delivery. "Quality" today, and in the future, is the customer's measure of his every interaction with the vendor. In the 1990s, service may no longer be the "new" competitive edge, but it will certainly remain the most important guarantor of success.

2

The AMA International Survey

This section presents, with John Humble's brief comments and explanations, the comparative results of the three individual studies carried out in Europe (by AMA's Brussels-based Management Centre-Europe), in the United States and Canada (by the American Management Association), and in Japan (by the Japan Management Association).

Figures given in the tables are percentages, unless otherwise indicated; totals may not equal 100, due to rounding.

Part One: Keeping the Customer Satisfied

1.1 Is service to the customer more or less important than it was five years ago?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Much more important	59	62	84
More important	31	27	15
Equally important	9	9	1
Less important	—	1	—

1.2 Do you think that in the next five years service will become more or less important?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Much more important	69	69	88
More important	25	23	11
Equally important	4	7	1
Less important	—	1	—

What these two tables (1.1 and 1.2) immediately show is a pattern that is repeated throughout the survey: all the Japanese scores are consistently higher than the European and North American averages. Interpretation of this is not easy. Most of us outside of Japan think that the Japanese have been chasing the service ethic for many years. Perhaps what we in the West would regard as excellent service doesn't match up to their concept. Bearing this out is the fact that 1989 was designated "The Year of Service" in Japan—perhaps an idea we in the West could usefully emulate.

1.3 What external pressures have compelled companies to give more attention to customer service? (Average ratings, five-point scale.)

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Service is more important as a differentiator	4.3	4.4	4.6
Competition is fiercer	4.1	4.3	4.6
Customers are more demanding	3.9	4.0	4.5
Development of advanced information technology	3.2	3.3	4.2
Shortening life-cycle of products/ services	2.7	2.7	3.7

If service has assumed a much greater importance in the eyes of pragmatic business executives, there must be reasons behind this. Japanese managers give more importance to all the issues that we listed, indicating a tougher "home market" than Europeans or North Americans are used to. Perhaps the 1990s will show the West what our Eastern colleagues have already learned.

Another point to keep in mind is that 46% of the Japanese executives in our survey said that customers' expectations were either static (41%) or reducing (5%). Only half said they were increasing, compared with two thirds of the Americans and three quarters of the Europeans. (See 2.2 below.)

Conclusion: Maybe the Japanese have a more mature buyer's market, but the lesson to be learned is that they are still trying everything to keep the customer.

Asked the methods by which companies discover and anticipate business customer needs, 98% of the Japanese managers indicated that they had tried everything listed in our questionnaire, while Europeans and North Americans had some ways to go to catch up. But the averages on the provided five-point scale show the higher priority that North American managers place on person-to-person communications, while the Japanese favor a more analytical approach:

1.4 To discover and anticipate customers' needs, which of the following methods does your company find effective? (Average ratings, five-point scale.)

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Discussion sessions with the sales force	3.77	4.12	3.93
Meetings between customers and senior management	3.86	4.17	3.38
Market research of potential customers	3.53	3.71	4.04
Customer clinics on products and/or services	3.38	3.41	3.29
Customer questionnaires	3.05	2.95	3.47
Comment cards/service assessment forms	2.27	2.55	3.34

Additionally, in measuring the satisfaction of customers, the Japanese again try everything—98% indicating using all the listed methods—and again, give higher scores to methods involving statistical analysis, while North Americans rate more highly such methods as personal visits and focus groups, which involve face-to-face, and often one-on-one, discussion:

1.5 To measure customer satisfaction, which of the following methods does your company find effective? (Average ratings, five-point scale.)

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Personal visits by sales people	3.99	4.27	4.09
Personal visits by management	3.89	4.32	3.69
Analysis of complaints received	3.59	3.94	4.28
Focus meetings with groups of customers	3.63	3.72	3.43
Questionnaires	2.94	2.90	3.34
Observation/assessment by independent professionals	3.02	2.84	2.96
Toll-free phone facilities for complaints/questions	2.51	2.39	2.56

When it comes to talking directly to the customer, Americans are leaders by a wide margin. Perhaps it is an indication of those management hierarchies in Japan and of the formality of the Europeans, but they are far less engaged in getting out and talking to the people who buy their goods and services:

1.6 Have you spoken personally with a customer in the last:

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Week	55	73	54
Month	26	16	24
Three months	6	4	8
Six months	4	3	5
Year	5	2	4

Thus the methods by which customer needs and customer satisfaction are measured; but in assessing the results, formal follow-up—the creation of policies and procedures to produce a true service ethic—is lacking. Take note of the following responses:

1.7 Are regular reports and analyses prepared by your company on current customer satisfaction?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	51	47	48
No	34	46	41
Not sure	12	5	10

1.8 Does your company have quantified performance standards on most of the key service issues (e.g., punctuality, delivery time, etc.)?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	59	58	36
No	32	38	53
Don't know	9	4	11

In summarizing this section and in interpreting the results from Part Two, we must not forget that the difference between Japanese responses and those of their Western counterparts are due not only to a different set of customer demands, but also to their cultural base.

Remember that the Japanese are masters at the art of consensus, specifically (in this case) consensus management. Therefore, we in the West should not be surprised if the results seems to indicate that they are well organized to give service, but have difficulty taking individual initiative.

The Service Priority Index

Two key questions in our questionnaire have been combined in the final analysis to create a *Service Priority Index* that shows what importance executives in the three geographic areas put on a series of service-related criteria.

The index is based on (a) how important a particular criteria is in terms of influencing a customer to buy and (b) how much room there is for this criteria to be improved by the respondent's organization.

A service priority index of 100 would mean that a criteria is *both* very important *and* a criteria where there is great room for improvement, i.e., a top priority for action. A score of 0 (zero) would mean that it is either unimportant or there is no room for further improvement.

A. Buying Influence	WESTERN EUROPE	NORTH AMERICA	JAPAN
Quality	4.4	4.3	4.5
Problem solving	3.7	3.7	4.3
Reliability	4.2	4.1	4.6
After-sales service	3.4	3.3	3.9
Speed of delivery	3.4	3.7	3.7
Courtesy	3.1	3.8	4.3
Price	3.4	2.6	4.1
Design	2.7	2.6	3.4
Packaging	2.2	2.3	2.9
Guarantees	2.7	2.1	3.8

B. Room for Improvement	WESTERN EUROPE	NORTH AMERICA	JAPAN
Quality	3.1	3.2	3.1
Problem solving	3.0	3.2	3.3
Reliability	2.6	2.8	3.2
After-sales service	2.7	3.1	3.1
Speed of delivery	3.0	3.2	2.3
Courtesy	2.6	2.9	3.6
Price	2.2	2.6	3.0
Design	2.1	2.6	2.8
Packaging	1.9	2.3	2.3
Guarantees	1.6	2.1	2.6

Combining the buying-influence and the room-for-improvement scores together to form an index shows where companies in each of the geographic areas feel they need to place the most emphasis in improving service, specifically as it affects profits.

Service Priority Index	WESTERN EUROPE	NORTH AMERICA	JAPAN
Quality	56	55	58
Problem solving	48	48	58
Reliability	47	47	59
After-sales service	44	42	51
Speed of delivery	43	47	47
Courtesy	36	35	63
Price	31	37	50
Design	29	30	42
Packaging	23	20	32
Guarantees	23	22	43

Part Two: Organizing for Superior Service

This part of the report presents findings on how companies are organizing to improve service to their customers, and also gives our respondents' personal assessments of the importance of service as part of the manager's job.

Obviously, a company can't be organized to give superior service unless everyone believes in it. Sadly, barely half of the overall sample thinks that service is "a clear and accepted priority throughout the company." Therefore, it isn't surprising to discover that three quarters of the sample—the same in Europe, North America, and Japan—think that there is "scope in my company to give more service power to those closest to the customer."

Worse than that, respondents indicated that in many companies—too many companies—bureaucracy still rules, getting in the way of offering better service.

If service is to yield a *competitive advantage*—and if it does not, why bother?—there must be improvement in competitive analysis:

2.1 Does your company systematically buy the goods or use the services of its competitors and take them apart or analyze their package?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes, with total commitment	24	18	28
Yes, when we get around to it	36	29	47
Don't really know	12	8	7
No, but it's a good idea	12	21	13
Never	12	22	4

There must be a higher priority on innovation to meet customer needs and expectations:

2.2 Do you find that your customers' expectations for new/improved products and services are:

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Increasing	75	70	52
About the same	21	26	41
Reducing	2	2	5
No answer	2	2	1

2.3 Does your company have actual targets for the percentage of revenue from new products or services in the next three years?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	66	52	61
No	22	38	26
Don't know	12	8	13

2.4 What do you think are the major obstacles to innovation in your company?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
No time/budgets to experiment	37	47	22
Poor interdepartmental teamwork	36	35	33
Inadequate overall regard for R&D	12	18	31
Fear of failure	15	16	6
No answer	14	5	8

Responsibility must be clearly assigned and acknowledged, and levels closest to the customer empowered, beyond the levels indicated in the following four tables:

2.5 Is customer service specifically included in *your* job description and standards of performance?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	47	59	57
No	40	34	25
Don't know	2	1	8
Not relevant	11	5	11

2.6 In your company, is there a specific customer service strategy included in the overall strategic plan?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	64	64	65
No	28	31	24
Don't know	9	5	12

2.7 In your company, is there a special department for consumer affairs?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	62	31	69
No, but there should be	11	27	20
No	23	41	9
Don't know/No answer	4	2	2

2.8 Do you feel that there is more scope in your company to give more service power to those closest to the customer?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	74	75	74
No	13	17	6
Don't know	13	8	19

And, finally, all hands must know of, acknowledge, and participate in an organization-wide commitment to customer service:

2.9 Being truly honest, do *you* think that service to the customer is a clear and accepted priority throughout your company?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	56	57	56
No, but it should be	38	37	39
No	4	5	2
Don't know/No answer	3	1	3

Not only does bureaucracy tie down individuals; the system also stops a significant minority—in the case of Japan, a majority—from using their own *personal* judgment and initiative to satisfy customer needs:

2.10 In your organization, do you personally have the authority to use your own judgment (even bending the rules and policies) to satisfy the customer?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	68	84	34
No, but I should be allowed	8	6	27
No	17	8	27
Don't know	7	2	12

2.11 In your organization, if bureaucracy gets in the way of good customer service, is it quickly eliminated?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	39	48	42
No, but it should be	46	43	40
No	6	6	5
Don't know	9	3	13

While these results may indicate American individualism versus Japanese collectivism, it is interesting to note the 27% of Japanese executives who

responded, "No, but I should be allowed" to question 2.10 above. It seems to us that the Japanese respondents have learned a great deal from the exercise of completing the questionnaire, and are already embarked on a new learning curve.

But learning results from training, and the results from our questions on training are shocking:

2.12 Have most of the managers in your company attended a learning/training activity focused on customer service?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	49	38	37
No, but they should	25	43	37
No	19	17	17
Don't know	7	2	9

2.13 Have most of the non-managerial personnel in your company attended a learning/training activity focused on customer service?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	28	28	40
No, but they should	40	47	34
No	23	22	19
Don't know	9	3	7

If service is truly a key element in future corporate success—and all the responses so far in this survey indicate that—then why isn't more attention paid to training and development for improving and understanding customer service?

But the figures speak for themselves. What is really surprising is the large number of executives (around 20% in each of the survey segments) who simply answered "No" to the queries above. Surely, if 92% of the total sample think that giving superior service is one of their key responsibilities, then how can a sizable minority not think that training is vital?

These attitudes are not immediately understandable, and perhaps—without further direct research—are unanswerable. All we can say is that there seems to be a huge gap—a yawning chasm, to be exact—between perceived need and commitment and real action.

Moreover, such action should be joined to both customers and suppliers:

2.14 Does your company promote joint customer/company task forces to find better ways to work together?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Yes	49	26	40
No, but they should	25	49	32
No	19	21	24
Don't know/No answer	7	4	5

2.15 In order to improve service to your customers, have you:

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Required suppliers to produce quality goods/services	57	60	66
Required suppliers to be more flexible and responsive in deliveries and deadlines	45	38	6
Required suppliers to be more reliable in delivery of goods/services	45	48	6
Required suppliers to connect/link-up with your computer/infotech systems	18	7	21

Let us end this section of our international survey findings with the responses to two questions—responses that at least breathe hope into all those who believe that service is a vital element in today's and tomorrow's recipe for corporate success, and that provide an assessment of how our respondent managers really feel, deep down inside:

2.16 Do *you* think that giving superior service to the customers of your company is:

	WESTERN EUROPE	NORTH AMERICA	JAPAN
One of my key responsibilities	85	96	96
Something for others in the organization to worry about	7	2	1
Something for sales people to worry about	4	—	1
Not something I really think about	2	1	1

2.17 Do you think, in general, that improving quality and service to customers is:

	WESTERN EUROPE	NORTH AMERICA	JAPAN
The key to competitive success	78	84	68
Of equal importance to other activities	18	14	31
Not very important for competitive success	2	2	1

If only they would invest in the training and systems to make it all work!

Part Three: Who Gives the Best Service?

3.1 How do you personally rate the current general level of services by the following types of organizations?

	WESTERN EUROPE	NORTH AMERICA	JAPAN
Consumer goods companies	3.2	3.2	3.5
Industrial goods companies	3.3	3.0	3.1
Retailers	3.1	2.9	3.3
Financial institutions	3.1	2.8	3.2
Transport companies	2.8	2.6	3.1
Government departments	1.2	1.3	1.9

The low standing given to government departments has a simple explanation: There is no competition.

The World's Most Admired Company

With all this talk of global corporations, offering essentially the same types of products and services all over the world, which company gets high marks from Europe, the United States, and Japan for offering superior service?

Few companies, in any of the three surveys, were mentioned by more than two percent of the respondents (others listed in the table below).

However, in terms of overall recognition, IBM was well ahead of the rest—scoring the number one spot in Europe (18%) and in the U.S. (9%). They came in number seven in the Japanese vote.

Disney Enterprises came second in worldwide recognition, scoring over

two percent in each of the three regions (also the top placed non-national company in the Japanese sample, with a significant vote for Tokyo Disneyland).

WESTERN EUROPE		NORTH AMERICA		JAPAN	
1. IBM	18%	1. IBM	9%	1. Yamato Transport	10%
2. Swissair	7%	2. Federal Express	7%	2. Matsushita Electric	4%
3. Marks & Spencer	6%	3. Nordstrom	7%	3. NTT (National PTT)	3%
4. SAS	6%	4. American Express	4%	4. Kao Corporation	2%
5. Walt Disney	3%	5. L.L. Bean	3%	5. Tokyo Disneyland	2%

Other significant mentions were:

Europe: British Airways, KLM, McDonald's, Singapore Airlines, and Hewlett-Packard;

North America: Sears, United Parcel Service, AT&T, McDonald's, and Marriott;

Japan: Toyota, IBM, 7Eleven (Japan), McDonald's, Sony, and NEC.

3

An Action Plan for the Organization

Here is a blueprint for a practical Action Plan to put ideas into practice—by far the most important and most difficult task in creating a new corporate culture. Following the Action Plan is an Action Checklist for the company and the individual manager.

The Action Plan features five stages:

1. Define Strategy and Related Values

The starting point is a clear definition of corporate mission and strategic objectives. The values and beliefs are derived from survival/competitive imperatives and are not developed in isolation.

Many organizations have been obliged to respond to external pressures and clarify their objectives. Relatively few have taken the next logical step and worked out, in serious discussions, the relatively few values and beliefs on which implementing the strategies depend.

For example:

"Customers come first"
"Responsive and non-bureaucratic organization"
"Open and frank communications"
"We must beat the competition"

This work is just as important as the far-reaching studies that lead to strategy definition. It is literally the case that a mismatch between business intentions and company culture can lead to disaster.

2. Gap Analysis

It is then necessary to check if there is a gap between the desired and existing values. Exhibit 1 shows a simple method for recording this. It can be used for the company as a whole and for more detailed consideration of departments, functions, regions, and so on.

Exhibit 1

Strategic vision

Key corporate business strategies

Values		The gap					Bridging the gap		
	Current values	**Match**					**Knowledge & skills**	**Other needs**	**Action proposed**
Desired values		**0**				**5**			
Customers come first									
We must beat the competition									
Respect for individuals									
Teamwork									
Responsive, non-bureaucratic organization									
Open and frank communications									

There are well-established professional methods for securing the information, ranging from attitude surveys and interviews to observations and focused discussion groups.

It is only when the gap between existing and desired values is understood that action plans can be made that focus priority needs in a cost-effective manner.

3. Develop a Change Plan

With the consistent support of top management, a change plan with objectives, responsibilities, resources, controls, and the like can be developed. The roles of the key people as champions of change must be clearly defined.

Communications are a central feature of such a plan. The listening process is necessary. Everyone should understand the outside pressures that call for new beliefs and commitments. Videos, special participative meetings, newsletters, and the like all have an important role.

However, communications are not enough. Two further stages of work are necessary.

4. Integrate New Values with Day-to-Day Work

It is one thing to understand the new corporate values but quite another to put them into daily practice. Something more substantial is called for. All managers must in a short time be involved in changing and energizing themselves.

This process starts by drawing on the untapped existing knowledge and skills of managers, but in turn may lead to training to acquire new knowledge and skills.

If this is done well, managers will become agents of change and role models for the new values.

With their support and leadership, the rest of the staff can in turn be given learning opportunities and the stimulus and opportunity to share their own experience.

5. Reinforcement! Reinforcement! Reinforcement!

The work already done will enable the organization to make significant progress in moving the culture into line with new strategies and corporate values. However, this progress will be short-lived without constant reinforcement. The old culture is deeply embedded. Persistence is essential. Consider such actions:

- People who respond—who display the new values in their behavior and performance—*must* be rewarded. Not only is this just, it also sends signals to those who have chosen *not* to respond. The rewards should be material, and also increase the status, power, and influence of high performers.
- Training is a crucially important vehicle for transmitting new values. If they are not built into induction and basic training, belief in these new values is inevitably diluted. The desired values should permeate every training activity, from quality standards for apprentices to improved customer delivery training systems for managers.
- The first "values and beliefs" communications campaign is often professionally run and well delivered. However, it is essential to keep up an effective communications flow. Internal and external communications methods and contents must be reviewed constantly to ensure that ideas flow up, down, and across the organization. Frankness, relevance, brevity, and cost effectiveness are keynotes.
- Bureaucratic obstacles must be removed. It would be rare to have a situation that did not require faster response to customers and more internal flexibility. Bureaucratic paperwork systems and inhibiting standard-procedure manuals must be reviewed. Such changes are not only commercially valuable; they also symbolize top management's genuine commitment to change.
- Symbolism in a broader sense is also important. Awards for outstanding performance provide an opportunity to excite people. Success should be celebrated in a more open and imaginative way than is customary.
- The organizational structure should be critically reviewed to see if it facilitates or impedes the new strategies and values. Preaching the value of profitability when there are many cost centers but only one effective profit center is self-defeating. Calling for more entrepreneurial initiatives only frustrates the workforce if the organization slows down decision making and discourages risk.
- It is just as important to check out the information system. Does it focus on the few critically important strategies and values, providing quick feedback for decision making? People's behavior tends to be influenced by the information they receive and the discussions that often follow.
- Physical layout can express values. Compare the traditional British High Street bank with its dark wood panels, high-security grills, and the like, with bright, open plan designs that now welcome strangers and motivate staff.

The action plans of S.C. Johnson and Co. in seeking to develop a more innovative culture illustrate the complexity of reinforcement. These plans include a new reward system to recognize innovative ideas; a reduction in the number of managerial levels; a requirement that every manager sponsor inno-

vation; a company-wide campaign on the theme "Fight for Your Ideas"; a reduction in the rapid rotation of marketing and country manager appointments; a commitment by top management that it's safe to say "I don't know"; allocation of 10% discretionary time for all functions—anyone who has a good idea for the company can spend 10% of his or her time on it; the establishment of an internal venture-capital program.

Evolution or Revolution

Although all five stages must be implemented for successful cultural change, the pace varies dramatically. In an ideal world, an evolutionary approach enables full participation and training so that people can steadily adapt themselves to new behavior.

In today's competitive world, revolutionary change is often the only way to survive. In these circumstances, top management leadership is crucial; otherwise, dissatisfied shareholders may bring in a new leader who will in turn make sure those who hold key posts share his or her values.

New business strategies often call for new values to be defined, accepted, and built into daily worklife. If there is dissonance between required and existing values, it is unlikely that strategies will be implemented. The pace of change depends on the competitive pressure on the organization—but time isn't on our side.

An Action Checklist for the Company and the Individual Manager

COMPANY CHECKLIST

QUESTION	*RESPONSE*			*PROPOSED ACTION TO SECURE IMPROVEMENT*
	YES	**NO**	**DON'T KNOW**	—
1. Is quality and service to the customer explicitly a part of the company's strategic plan/mission statement?				
2. Have you sharply defined the criteria of customers you want to have? For example: — customers who are recognized leaders in their industry sector — customers who have the wish and potential to be long-term partners — customers who are financially stable				
3. Are you totally confident that you understand the changing needs of your customers?				

4. Do you use multiple methods to track the needs of customers? For example: — market research — questionnaires — personal visits — customer focus groups				
5. Do you know who makes the final decision to buy in your customer companies or groups?				
6. Do you care *for* your customers as well *after* a sale, as before? For example: — free phone lines for problems and complaints — clear and up-to-date instruction manuals — regular information on new products and services — guarantees and warranties — clear and equitable methods for settling disputes — training for customer staff				

QUESTION	*RESPONSE*			*PROPOSED ACTION TO SECURE IMPROVEMENT*
	YES	**NO**	**DON'T KNOW**	
7. Do you have clear and up-to-date definitions of quality and service for your products and services?				
8. Are these definitions supported by measurable standards?				
9. Have you checked both the definitions and standards against customer perceptions and expectations?				
10. Are you satisfied with the levels of reliability ("a promise made is a promise kept") of your products and services? For example: — delivery to schedule — product performs at least as well as the specifications				

11. Do you have clear policy statements on customer care?				
12. If so, how have you communicated these policies to your own staff and to your customers? Are you certain they have understood the messages?				
13. Has each staff category been thoroughly trained in relevant aspects of quality and service to the customer? Consider the learning needs of such categories as: — staff who interface regularly with customers — administrative staff — production staff — managers and supervisors				
14. Do your training arrangements ensure that new entrants are systematically taught customer care and quality policies and methods?				

QUESTION	*RESPONSE*			*PROPOSED ACTION TO SECURE IMPROVEMENT*
	YES	**NO**	**DON'T KNOW**	
15. Do your marketing methods—such as advertising, merchandising, and sales promotions—stress the high service levels you offer?				
16. If so, are you sure that you regularly fulfill these promises?				
17. Are the product or service delivery points conveniently located from the customer viewpoint?				
18. If you deliver through distributors, do you ensure that the distributor is providing the quality and service levels you want the end user to enjoy?				
19. Do you regard the factory as an integral part of the company's quality and service "package"?				

20. Do key production staff at all levels have the opportunity to meet customers?				
21. If customers have problems, do you provide a rapid and professional "on site" advisory service?				
22. Do you have joint research and development teams with your leading customers to ensure early consensus on quality and service levels?				
23. Since the quality and service you provide to your customers may be influenced by the quality and service provided to you by your major suppliers ... — are there clear definitions established between you and your suppliers on quality and service standards? — do you have tight control over incoming materials and components?				

QUESTION	*RESPONSE*			*PROPOSED ACTION TO SECURE IMPROVEMENT*
	YES	**NO**	**DON'T KNOW**	
— or is there so much confidence that such controls are no longer necessary?				
24. Are you totally obsessed by the wish to find out if your customers are *really* satisfied?				
25. Do you positively encourage customers to complain if they have even the smallest reason to be dissatisfied?				
26. If so, what tools do you use to elicit these complaints? For example, do you use: — visits — questionnaires — meetings with groups of customers?				

27. Are reports on customer satisfaction prepared regularly, widely circulated, and seriously discussed? Would you say that customer satisfaction reports get as much management attention as budget reports/variations on financial performance reports?				
28. Would you say that generally your staff treat one another with a good spirit of "customer care" and courtesy?				
29. Does the company's major innovative thrust come from — within? — acquisition of license rights? — joint ventures or alliances? — acquisition of other companies?				

QUESTION	*RESPONSE*			*PROPOSED ACTION TO SECURE IMPROVEMENT*
	YES	**NO**	**DON'T KNOW**	
30. Is technology likely to change substantially the quality and service you provide to your customers? Consider in particular the implications of developments in information technology.				
31. Since customers have choices . . . do you systematically buy the goods and use the services of your main competitors? In quality and service terms, what do they do better than you?				
32. Which specific customers or customer groups held by your competitors would you like to have? Would improvements in the quality and service you offer help you to secure them?				

33. Do you personally think that better quality and service to customers will be a more important competitive advantage in the '90s?				

QUESTION	*RESPONSE*	*PROPOSED ACTION TO SECURE IMPROVEMENT*
34. Which are the most consistently successful companies in your industry sector?		
35. To what extent do you think quality and service to their customers has influenced their success? Give precise examples.		
36. List the most important improvements in quality and service achieved by your organization in the last three years.		

SUMMARY

After analyzing your responses, summarize in order of importance the major action to be taken in order to improve quality and service to the customer to your company.

ACTION TO BE TAKEN	*EXPECTED BENEFITS*		*WHO SHOULD BE RESPONSIBLE FOR THE ACTION?*	*FURTHER COMMENTS*
	For customer	For company		

ACTION TO BE TAKEN	*EXPECTED BENEFITS*		*WHO SHOULD BE RESPONSIBLE FOR THE ACTION?*	*FURTHER COMMENTS*
	For customer	For company		

INDIVIDUAL CHECKLIST

QUESTION	*RESPONSE*		*PROPOSED ACTION TO SECURE IMPROVEMENT*
	Yes	**No**	
1. I have explained to my staff the company's policy on quality and service to the customer and how it relates practically to our department.			
2. I have agreed on specific goals and performance benchmarks of quality and service with my staff. . .			
3. . . . and we regularly measure and discuss progress and problems.			
4. I frequently remind my staff in informal discussions why the customer must come first.			
5. I often ask my staff for their perception of customers' needs and expectations.			
6. I regularly and personally ask customers about their needs and satisfaction with our performance.			
7. I set a good example for my staff in the way I deal with external and internal customers.			

QUESTION	*RESPONSE*		*PROPOSED ACTION TO SECURE IMPROVEMENT*
	Yes	**No**	
8. I work in a team with my colleagues and boss to identify and remove obstacles to good service (such as poor facilities; low quality; delays; discourtesies; slow delivery) that are not my sole responsibility.			
9. I make sure that the theme "we are here to secure, satisfy, and hold customers" runs through all training given to my staff			
10. Since I know that our customers have choices, I study regularly the service performance of our main competitors.			

Appendix

TABLES OF DATA

How many people does your organisation employ in total in the country where you work?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
0-49	277	277	-	1	-	147	72	68	19	29	20	57	54	100
	9%	57%	-	*	-	17%	7%	5%	5%	6%	7%	8%	10%	13%
50-99	213	213	-	-	-	84	53	81	20	31	13	56	36	58
	7%	43%	-	-	-	10%	5%	6%	5%	6%	5%	8%	7%	7%
100-499	672	-	672	-	-	224	205	252	87	98	62	185	99	160
	21%	-	100%	-	-	25%	20%	19%	23%	20%	22%	25%	18%	20%
500-2000	806	1	-	806	-	180	291	343	96	124	42	223	126	195
	25%	*	-	100%	-	20%	29%	26%	25%	25%	15%	30%	23%	24%
Over 2000	1206	-	-	-	1206	244	398	571	157	203	149	221	231	282
	38%	-	-	-	100%	28%	39%	43%	41%	42%	52%	30%	42%	35%
No answer	25	-	-	-	-	1	-	24	1	2	1	1	-	1
	1%	-	-	-	-	*	-	2%	*	*	*	*	-	*

Company Type.

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Manufacturing company	1090	152	290	277	370	352	362	386	268	221	131	491	8	47
	34%	31%	43%	34%	31%	40%	36%	29%	71%	45%	46%	66%	1%	6%
Finance company	903	225	214	185	279	339	160	424	14	52	63	47	354	361
	28%	46%	32%	23%	23%	39%	16%	32%	4%	11%	22%	6%	65%	45%
Other service company	411	80	77	79	175	148	107	165	41	35	76	51	62	170
	13%	16%	11%	10%	15%	17%	11%	12%	11%	7%	26%	7%	11%	21%
No answer	823	37	94	272	397	47	399	377	66	189	28	158	127	223
	26%	8%	14%	34%	33%	5%	39%	28%	17%	39%	10%	21%	23%	28%

What is your function?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Finance	214	46	52	48	68	19	15	185	16	29	21	49	62	39
	7%	9%	8%	6%	6%	2%	1%	14%	4%	6%	7%	7%	11%	5%
Engineering production	101	13	26	23	38	9	3	91	24	23	10	35	2	11
	3%	3%	4%	3%	3%	1%	*	7%	6%	5%	3%	5%	*	1%
Research and development	115	12	18	34	51	9	16	93	23	19	3	35	19	19
	4%	2%	3%	4%	4%	1%	2%	7%	6%	4%	1%	5%	3%	2%
Administration	559	95	104	139	220	38	27	503	35	61	36	89	157	181
	17%	19%	15%	17%	18%	4%	3%	38%	9%	13%	13%	12%	29%	23%
Information technology	144	21	26	35	62	16	9	122	15	12	25	21	33	35
	5%	4%	4%	4%	5%	2%	1%	9%	4%	2%	9%	3%	6%	4%
Sales/marketing	1018	125	205	291	398	39	1018	-	148	202	82	285	113	197
	32%	26%	31%	36%	33%	4%	100%	-	39%	41%	29%	38%	21%	25%
Human resources/ personnel	310	29	66	82	133	17	17	281	39	41	28	51	65	97
	10%	6%	10%	10%	11%	2%	2%	21%	10%	8%	10%	7%	12%	12%
Purchasing procurement	66	12	16	15	22	15	10	46	11	10	9	15	6	14
	2%	2%	2%	2%	2%	2%	1%	3%	3%	2%	3%	2%	1%	2%
General management	880	231	224	180	244	880	39	-	101	116	89	230	141	253
	28%	47%	33%	22%	20%	100%	4%	-	27%	24%	31%	31%	26%	32%
Legal	13	1	4	3	5	-	-	13	3	4	2	-	2	1
	*	*	1%	*	*	-	-	1%	1%	1%	1%	-	*	*
No answer	94	11	12	15	34	-	-	94	10	12	6	16	18	21
	3%	2%	2%	2%	3%	-	-	7%	3%	2%	2%	2%	3%	3%

Industry group

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Oil, chemicals, plastics	380	39	87	96	157	101	148	137	380	24	4	20	6	9
	12%	8%	13%	12%	13%	11%	15%	10%	100%	5%	1%	3%	1%	1%
Refining and production of metals	56	6	11	19	20	8	29	19	10	60	-	4	-	5
	2%	1%	2%	2%	2%	1%	3%	1%	3%	12%	-	1%	-	1%
Manufacture of cars, aircraft, ships and other vehicles	114	7	17	21	68	20	42	52	1	115	-	-	-	3
	4%	1%	3%	3%	6%	2%	4%	4%	*	24%	-	-	-	*
Computers, office equipment	175	22	44	31	77	52	52	75	3	14	175	9	3	7
	5%	4%	7%	4%	6%	6%	5%	6%	1%	3%	61%	1%	1%	1%
Telecommunications systems and equipment	138	12	26	11	89	48	38	53	2	9	138	7	7	8
	4%	2%	4%	1%	7%	5%	4%	4%	1%	2%	48%	1%	1%	1%
Construction, civil engineering, building materials	121	20	32	29	39	45	40	39	6	129	3	7	3	8
	4%	4%	5%	4%	3%	5%	4%	3%	2%	26%	1%	1%	1%	1%
Other engineering (electrical, mechanical, instrument)	196	27	38	55	76	43	91	63	7	207	11	5	1	7
	6%	6%	6%	7%	6%	5%	9%	5%	2%	43%	4%	1%	*	1%
Paper, printing, publishing	107	19	26	37	25	37	43	29	7	3	7	107	2	5
	3%	4%	4%	5%	2%	4%	4%	2%	2%	1%	2%	14%	*	1%
Food, drink, tobacco	185	19	42	50	75	49	74	64	2	5	3	185	2	12
	6%	4%	6%	6%	6%	6%	7%	5%	1%	1%	1%	25%	*	2%
Textiles, furniture, clothing	82	13	14	27	27	22	33	28	3	3	1	82	1	5
	3%	3%	2%	3%	2%	3%	3%	2%	1%	1%	*	11%	*	1%
Other manufacturing	375	62	105	110	98	127	137	116	11	12	6	375	1	10
	12%	13%	16%	14%	8%	14%	13%	9%	3%	2%	2%	51%	*	1%
Power/energy supply services	92	7	6	16	62	21	29	45	4	10	2	6	-	92
	3%	1%	1%	2%	5%	2%	3%	3%	1%	2%	1%	1%	-	12%
Insurance	151	16	35	34	66	42	32	80	1	-	1	-	151	4
	5%	3%	5%	4%	5%	5%	3%	6%	*	-	*	-	28%	1%

Industry group

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Banking	219	20	30	59	110	39	44	138	1	-	-	-	219	-
	7%	4%	4%	7%	9%	4%	4%	10%	*	-	-	-	40%	-
Other business and financial services	186	56	36	35	59	64	39	89	4	4	7	3	186	7
	6%	11%	5%	4%	5%	7%	4%	7%	1%	1%	2%	*	34%	1%
Freight, distribution, courier service	83	9	19	23	32	35	23	25	1	6	3	4	1	83
	3%	2%	3%	3%	3%	4%	2%	2%	*	1%	1%	1%	*	10%
Import, export, retail, wholesale	190	34	43	54	59	49	61	81	3	6	2	15	3	190
	6%	7%	6%	7%	5%	6%	6%	6%	1%	1%	1%	2%	1%	24%
Travel and tourism services	76	7	15	18	36	22	21	35	-	1	2	4	-	76
	2%	1%	2%	2%	3%	3%	2%	3%	-	*	1%	1%	-	10%
Other professional/ scientic services	368	103	81	84	100	131	67	176	2	4	4	3	6	368
	12%	21%	12%	10%	8%	15%	7%	13%	1%	1%	1%	*	1%	46%
No answer	108	18	17	22	32	23	25	62	-	-	-	-	-	-
	3%	4%	3%	3%	3%	3%	2%	5%	-	-	-	-	-	-

Service is now

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
More important	(5)	2122	288	411	565	849	554	707	885	231	309	190	482	387	548
		66%	59%	61%	70%	70%	63%	69%	66%	61%	63%	66%	65%	71%	69%
	(4)	795	118	188	194	294	243	239	321	111	140	72	197	116	182
		25%	24%	28%	24%	24%	28%	23%	24%	29%	29%	25%	27%	21%	23%
Same	(3)	227	74	63	37	51	73	63	97	34	32	19	53	37	54
		7%	15%	9%	5%	4%	8%	6%	7%	9%	7%	7%	7%	7%	7%
	(2)	21	6	5	5	4	4	3	15	1	5	2	5	5	5
		1%	1%	1%	1%	*	*	*	1%	*	1%	1%	1%	1%	1%
Less important	(1)	12	2	2	2	6	3	4	5	1	-	3	4	-	4
		*	*	*	*	*	*	*	*	*	-	1%	1%	-	1%
No answer		22	2	3	4	2	3	2	17	2	1	2	1	1	3
		1%	*	*	*	*	*	*	1%	1%	*	1%	*	*	*
Mean Score		4.57	4.40	4.50	4.64	4.64	4.53	4.62	4.56	4.51	4.55	4.55	4.55	4.62	4.60

Service will be

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
More important	(5)	2367	323	476	627	932	612	794	987	273	330	217	536	425	621
		74%	66%	71%	78%	77%	70%	78%	74%	72%	68%	76%	72%	78%	78%
	(4)	656	118	154	152	229	210	189	267	90	140	56	168	92	131
		21%	24%	23%	19%	19%	24%	19%	20%	24%	29%	20%	23%	17%	16%
Same	(3)	140	42	37	24	36	51	32	60	15	15	13	33	25	35
		4%	9%	6%	3%	3%	6%	3%	4%	4%	3%	5%	4%	5%	4%
	(2)	8	3	1	-	4	1	1	6	-	1	-	3	2	2
		*	1%	*	-	*	*	*	*	-	*	-	*	*	*
Less important	(1)	3	-	-	1	2	1	1	1	-	-	1	1	-	1
		*	-	-	*	*	*	*	*	-	-	*	*	-	*
No answer		25	4	4	3	3	5	1	19	2	1	1	1	2	6
		1%	1%	1%	*	*	1%	*	1%	1%	*	*	*	*	1%
Mean Score		4.69	4.57	4.65	4.75	4.73	4.64	4.74	4.69	4.68	4.64	4.70	4.67	4.73	4.73

External pressures

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(a) Customers are more demanding															
Very important	(5)	1107	135	214	311	445	282	382	458	118	183	74	252	187	315
		35%	28%	32%	39%	37%	32%	38%	34%	31%	38%	26%	34%	34%	40%
	(4)	1320	205	285	305	518	363	410	562	146	218	132	304	240	304
		41%	42%	42%	38%	43%	41%	40%	42%	38%	45%	46%	41%	44%	38%
	(3)	569	106	137	139	184	182	156	238	91	57	67	140	92	129
		18%	22%	20%	17%	15%	21%	15%	18%	24%	12%	23%	19%	17%	16%
	(2)	84	24	19	15	26	26	32	27	8	13	7	25	11	16
		3%	5%	3%	2%	2%	3%	3%	2%	2%	3%	2%	3%	2%	2%
	(1)	15	3	1	5	5	3	8	5	3	1	2	4	1	5
		*	1%	*	1%	*	*	1%	*	1%	*	1%	1%	*	1%
Less important	(0)	12	4	-	2	6	3	3	6	1	2	-	2	5	2
		*	1%	-	*	*	*	*	*	*	*	-	*	1%	*
No answer		91	13	16	29	22	21	27	43	13	13	5	15	10	25
		3%	3%	2%	4%	2%	2%	3%	3%	3%	3%	2%	2%	2%	3%
Mean Score		4.09	3.91	4.05	4.15	4.14	4.03	4.13	4.10	3.99	4.19	3.95	4.06	4.09	4.17

External pressures

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(b) Competition is fiercer															
Very important	(5)	1574	200	310	425	636	407	493	691	167	239	121	340	305	430
		49%	41%	46%	53%	53%	46%	48%	52%	44%	49%	42%	46%	56%	54%
	(4)	1091	191	241	262	394	326	369	410	153	171	109	280	172	231
		34%	39%	36%	33%	33%	37%	36%	31%	40%	35%	38%	38%	32%	29%
	(3)	360	67	82	77	130	112	110	145	47	49	41	99	51	81
		11%	14%	12%	10%	11%	13%	11%	11%	12%	10%	14%	13%	9%	10%
	(2)	59	12	16	10	21	10	18	31	4	12	10	9	5	18
		2%	2%	2%	1%	2%	1%	2%	2%	1%	2%	3%	1%	1%	2%
	(1)	23	4	8	2	7	7	2	14	3	3	-	3	1	9
		1%	1%	1%	*	1%	1%	*	1%	1%	1%	-	*	*	1%
Less important	(0)	14	4	-	6	4	4	3	8	-	1	2	1	3	7
		*	1%	-	1%	*	*	*	1%	-	*	1%	*	1%	1%
No answer		77	12	15	24	14	14	23	40	6	12	4	10	9	20
		2%	2%	2%	3%	1%	2%	2%	3%	2%	2%	1%	1%	2%	3%
Mean Score		4.31	4.17	4.26	4.38	4.36	4.27	4.33	4.32	4.28	4.32	4.18	4.29	4.43	4.33

External pressures

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total			490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(c) Service is more important as a differentiator															
Very important	(5)	1784	260	351	462	708	497	605	704	209	255	162	384	338	474
		56%	53%	52%	57%	59%	56%	59%	53%	55%	52%	56%	52%	62%	60%
	(4)	950	137	226	221	359	258	289	414	115	147	93	243	143	212
		30%	28%	34%	27%	30%	29%	28%	31%	30%	30%	32%	33%	26%	27%
	(3)	297	61	66	80	89	88	92	122	35	60	21	83	40	65
		9%	12%	10%	10%	7%	10%	9%	9%	9%	12%	7%	11%	7%	8%
	(2)	57	11	11	11	23	14	10	34	8	10	3	14	9	15
		2%	2%	2%	1%	2%	2%	1%	3%	2%	2%	1%	2%	2%	2%
	(1)	20	5	3	7	5	4	4	12	1	6	-	2	2	7
		1%	1%	*	1%	*	*	*	1%	*	1%	-	*	*	1%
Less important	(0)	10	2	1	4	3	2	1	7	3	-	3	3	2	3
		*	*	*	*	*	*	*	1%	1%	-	1%	*	*	*
No answer		80	14	14	21	19	17	17	46	9	9	5	13	12	20
		3%	3%	2%	3%	2%	2%	2%	3%	2%	2%	2%	2%	2%	3%
Mean Score		4.41	4.32	4.39	4.41	4.46	4.42	4.48	4.35	4.39	4.33	4.44	4.35	4.50	4.45

External pressures

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(d) Shortening life-cycle of products and services															
Very important	(5)	370	61	51	107	151	98	134	143	47	53	44	97	61	81
		12%	12%	8%	13%	13%	11%	13%	11%	12%	11%	15%	13%	11%	10%
	(4)	772	81	142	204	343	177	268	333	87	110	77	179	139	187
		24%	17%	21%	25%	28%	20%	26%	25%	23%	23%	27%	24%	25%	23%
	(3)	886	133	189	210	348	232	283	380	105	160	87	188	144	218
		28%	27%	28%	26%	29%	26%	28%	28%	28%	33%	30%	25%	26%	27%
	(2)	540	93	137	131	177	180	148	219	65	78	37	139	101	133
		17%	19%	20%	16%	15%	20%	15%	16%	17%	16%	13%	19%	18%	17%
	(1)	295	63	69	74	87	101	97	104	42	43	24	83	38	70
		9%	13%	10%	9%	7%	11%	10%	8%	11%	9%	8%	11%	7%	9%
Less important	(0)	186	37	52	38	59	63	47	81	13	26	7	35	40	66
		6%	8%	8%	5%	5%	7%	5%	6%	3%	5%	2%	5%	7%	8%
No answer		149	22	32	42	41	29	41	79	21	17	11	21	23	41
		5%	4%	5%	5%	3%	3%	4%	6%	6%	3%	4%	3%	4%	5%
Mean Score		2.94	2.73	2.71	3.03	3.10	2.77	3.05	2.96	2.98	2.94	3.21	2.95	2.93	2.84

External pressures

Base: All respondents

		Total	Organisation size				Function			Industry				
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(e) Development of advanced information technology															
Very important	(5)	746	85	129	230	298	154	275	329	64	108	84	157	165	187
		23%	17%	19%	29%	25%	18%	27%	24%	17%	22%	29%	21%	30%	23%
	(4)	976	130	215	223	408	232	350	402	105	150	86	237	170	252
		31%	27%	32%	28%	34%	26%	34%	30%	28%	31%	30%	32%	31%	32%
	(3)	743	117	166	174	282	224	214	315	110	131	64	171	107	167
		23%	24%	25%	22%	23%	25%	21%	24%	29%	27%	22%	23%	20%	21%
	(2)	352	82	81	80	106	136	90	128	50	44	28	92	56	85
		11%	17%	12%	10%	9%	15%	9%	10%	13%	9%	10%	12%	10%	11%
	(1)	181	43	41	41	54	79	41	66	21	30	15	51	21	46
		6%	9%	6%	5%	4%	9%	4%	5%	6%	6%	5%	7%	4%	6%
Less important	(0)	72	13	16	22	21	29	14	34	10	6	1	17	11	25
		2%	3%	2%	3%	2%	3%	1%	3%	3%	1%	*	2%	2%	3%
No answer		128	20	24	36	37	26	34	68	20	18	9	17	16	34
		4%	4%	4%	4%	3%	3%	3%	5%	5%	4%	3%	2%	3%	4%
Mean Score		3.50	3.20	3.40	3.59	3.62	3.19	3.70	3.54	3.31	3.52	3.69	3.42	3.70	3.49

To discover and anticipate customer's needs, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(a) Market research of potential customers															
Very effective	(5)	484	51	72	129	231	92	194	202	62	67	32	114	89	125
		15%	10%	11%	16%	19%	10%	19%	15%	16%	14%	11%	15%	16%	16%
	(4)	1053	123	182	273	473	252	384	427	116	178	85	242	174	275
		33%	25%	27%	34%	39%	29%	38%	32%	31%	37%	30%	33%	32%	35%
	(3)	676	99	166	178	228	204	177	303	87	103	76	160	113	164
		21%	20%	25%	22%	19%	23%	17%	23%	23%	21%	26%	22%	21%	21%
	(2)	290	48	65	70	106	101	75	118	46	50	43	73	46	47
		9%	10%	10%	9%	9%	11%	7%	9%	12%	10%	15%	10%	8%	6%
	(1)	85	14	13	26	32	30	31	24	14	12	5	21	11	20
		3%	3%	2%	3%	3%	3%	3%	2%	4%	2%	2%	3%	2%	3%
Not very effective	(0)	96	8	23	29	36	9	42-	46	5	21	2	23	18	27
		3%	2%	3%	4%	3%	1%	4%	3%	1%	4%	1%	3%	3%	3%
Don't use/no answer		516	147	151	102	101	192	116	220	50	58	44	109	95	138
		16%	30%	22%	13%	8%	22%	11%	16%	13%	12%	15%	15%	17%	17%

To discover and anticipate customer's needs, which of the following methods does your company find affective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(b) Customer questionnaires															
Very effective	(5)	333	39	50	87	157	80	113	145	27	37	26	56	75	116
		10%	8%	7%	11%	13%	9%	11%	11%	7%	8%	9%	8%	14%	15%
	(4)	958	97	150	250	459	200	336	425	91	153	93	178	174	277
		30%	20%	22%	31%	38%	23%	33%	32%	24%	31%	32%	24%	32%	35%
	(3)	652	90	157	176	227	198	192	271	76	101	66	156	117	150
		20%	18%	23%	22%	19%	23%	19%	20%	20%	21%	23%	21%	21%	19%
	(2)	341	60	82	78	120	105	116	127	42	55	41	94	46	67
		11%	12%	12%	10%	10%	12%	11%	9%	11%	11%	14%	13%	8%	8%
	(1)	143	24	36	34	48	49	54	43	24	28	12	36	17	31
		4%	5%	5%	4%	4%	6%	5%	3%	6%	6%	4%	5%	3%	4%
Not very effective	(0)	116	12	26	36	41	20	49	48	13	24	5	33	20	19
		4%	2%	4%	4%	3%	2%	5%	4%	3%	5%	2%	4%	4%	2%
Don't use/no answer		658	168	172	145	156	228	160	281	109	90	44	189	97	136
		21%	34%	26%	18%	13%	26%	16%	21%	29%	18%	15%	25%	18%	17%

To discover and anticipate customer's needs, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(c) Comment cards attached to products or service assessment forms															
Very effective	(5)	149	21	25	37	65	40	45	66	8	23	9	33	28	52
		5%	4%	4%	5%	5%	5%	4%	5%	2%	5%	3%	4%	5%	7%
	(4)	493	50	75	128	239	84	189	222	47	92	35	97	79	147
		15%	10%	11%	16%	20%	10%	19%	17%	12%	19%	12%	13%	14%	18%
	(3)	574	58	121	142	251	140	189	249	57	90	58	113	110	152
		18%	12%	18%	18%	21%	16%	19%	19%	15%	18%	20%	15%	20%	19%
	(2)	436	65	84	119	167	137	134	170	66	71	64	109	58	90
		14%	13%	13%	15%	14%	16%	13%	13%	17%	15%	22%	15%	11%	11%
	(1)	177	25	42	46	62	56	57	69	28	36	24	42	18	35
		6%	5%	6%	6%	5%	6%	6%	5%	7%	7%	8%	6%	3%	4%
Not very effective	(0)	271	29	51	74	115	35	125	113	28	49	14	59	61	61
		8%	6%	8%	9%	10%	4%	12%	8%	7%	10%	5%	8%	11%	8%
Don't use/no answer		1099	242	274	260	308	388	280	450	146	127	83	289	192	259
		34%	49%	41%	32%	26%	44%	28%	34%	38%	26%	29%	39%	35%	33%

To discover and anticipate customer's needs, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(d) Regular meetings between customers and senior management															
Very effective	(5)	760	140	154	216	246	258	212	300	114	121	85	181	119	164
		24%	29%	23%	27%	20%	29%	21%	22%	30%	25%	30%	24%	22%	21%
	(4)	1124	144	260	272	445	312	375	450	131	200	109	266	180	256
		35%	29%	39%	34%	37%	35%	37%	34%	34%	41%	38%	36%	33%	32%
	(3)	541	77	98	133	229	110	209	226	55	82	45	127	94	139
		17%	16%	15%	17%	19%	13%	21%	17%	14%	17%	16%	17%	17%	17%
	(2)	161	21	37	39	64	41	48	75	30	16	10	45	33	39
		5%	4%	6%	5%	5%	5%	5%	6%	8%	3%	3%	6%	6%	5%
	(1)	58	6	13	16	23	17	16	27	11	9	6	11	13	9
		2%	1%	2%	2%	2%	2%	2%	2%	3%	2%	2%	1%	2%	1%
Not very effective	(0)	138	17	26	32	63	24	55	61	6	26	6	30	27	44
		4%	3%	4%	4%	5%	3%	5%	5%	2%	5%	2%	4%	5%	6%
Don't use/no answer		416	85	84	98	136	118	103	200	33	33	26	82	80	145
		13%	17%	13%	12%	11%	13%	10%	15%	9%	7%	9%	11%	15%	18%

To discover and anticipate customer's needs, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(e) Regular discussion sessions with the sales force															
Very effective	(5)	689	113	159	165	250	192	226	280	104	106	61	195	115	141
		22%	23%	24%	20%	21%	22%	22%	21%	27%	22%	21%	26%	21%	18%
	(4)	1319	172	280	362	502	327	477	528	176	233	111	303	230	294
		41%	35%	42%	45%	42%	37%	47%	39%	46%	48%	39%	41%	42%	37%
	(3)	644	93	142	151	255	192	201	258	57	92	73	148	104	170
		20%	19%	21%	19%	21%	22%	20%	19%	15%	19%	25%	20%	19%	21%
	(2)	163	24	25	38	74	49	46	71	16	26	23	42	21	42
		5%	5%	4%	5%	6%	6%	5%	5%	4%	5%	8%	6%	4%	5%
	(1)	53	11	8	12	22	16	14	23	5	10	3	12	14	11
		2%	2%	1%	1%	2%	2%	1%	2%	1%	2%	1%	2%	3%	1%
Not very effective	(0)	35	6	3	10	16	10	8	18	3	4	3	7	9	12
		1%	1%	*	1%	1%	1%	1%	1%	1%	1%	1%	1%	2%	2%
Don't use/no answer		296	71	55	68	88	95	46	161	19	16	14	35	53	126
		9%	14%	8%	8%	7%	11%	5%	12%	5%	3%	5%	5%	10%	16%

To discover and anticipate customer's needs, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(f) Customer "clinics" on products and/or services															
Very effective	(5)	423	55	83	97	185	109	143	176	49	70	43	112	77	92
		13%	11%	12%	12%	15%	12%	14%	13%	13%	14%	15%	15%	14%	12%
	(4)	869	98	160	241	368	208	291	375	104	153	87	195	129	221
		27%	20%	24%	30%	31%	24%	29%	28%	27%	31%	30%	26%	24%	28%
	(3)	587	76	130	149	231	160	186	248	67	97	56	127	105	141
		18%	16%	19%	18%	19%	18%	18%	19%	18%	20%	20%	17%	19%	18%
	(2)	214	31	44	48	89	74	67	78	33	41	21	48	38	45
		7%	6%	7%	6%	7%	8%	7%	6%	9%	8%	7%	6%	7%	6%
	(1)	80	11	11	21	36	21	24	38	8	17	7	17	21	13
		3%	2%	2%	3%	3%	2%	2%	3%	2%	3%	2%	2%	4%	2%
Not very effective	(0)	153	21	39	45	48	17	76	61	13	35	6	41	18	40
		5%	4%	6%	6%	4%	2%	7%	5%	3%	7%	2%	6%	3%	5%
Don't use/no answer		873	198	205	206	249	292	231	363	106	74	67	202	158	245
		27%	40%	31%	26%	21%	33%	23%	27%	28%	15%	23%	27%	29%	31%

To measure customer satisfaction, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	360	487	287	742	546	796
(a) Analysis of complaints received															
Very effective	(5)	822	113	142	232	332	203	266	367	95	124	54	197	134	230
		26%	23%	21%	29%	28%	23%	26%	27%	25%	25%	19%	27%	25%	29%
	(4)	1179	151	236	317	476	291	398	499	126	200	111	284	185	300
		37%	31%	35%	39%	39%	33%	39%	37%	33%	41%	39%	38%	34%	38%
	(3)	626	109	150	138	225	196	174	262	82	86	70	146	115	140
		20%	22%	22%	17%	19%	22%	17%	20%	22%	18%	24%	20%	21%	18%
	(2)	205	28	46	45	84	67	67	75	30	32	21	51	37	40
		6%	6%	7%	6%	7%	8%	7%	6%	8%	7%	7%	7%	7%	5%
	(1)	67	14	17	11	24	27	21	20	9	7	8	17	15	12
		2%	3%	3%	1%	2%	3%	2%	1%	2%	1%	3%	2%	3%	2%
Not very effective	(0)	26	6	6	5	9	6	9	12	7	4	-	3	8	4
		1%	1%	1%	1%	1%	1%	1%	1%	2%	1%	-	*	1%	1%
Don't use/no answer		274	69	75	58	57	90	84	104	31	35	23	44	52	70
		9%	14%	11%	7%	5%	10%	8%	8%	8%	7%	8%	6%	10%	9%

To measure customer satisfaction, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-400	400-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(b) Toll-free phone facility for customer complaints/questions															
Very effective	(5)	297	50	45	75	126	75	90	134	16	41	35	70	57	80
		9%	10%	7%	9%	10%	9%	9%	10%	4%	8%	12%	9%	10%	10%
	(4)	530	48	97	131	255	114	186	233	42	77	62	130	97	131
		17%	10%	14%	16%	21%	13%	18%	17%	11%	16%	22%	18%	18%	16%
	(3)	436	36	79	122	198	107	152	178	47	70	49	117	74	95
		14%	7%	12%	15%	16%	12%	15%	13%	12%	14%	17%	16%	14%	12%
	(2)	239	32	57	68	79	58	89	96	48	51	25	55	24	47
		7%	7%	8%	8%	7%	7%	9%	7%	13%	10%	9%	7%	4%	6%
	(1)	87	8	16	25	38	25	27	38	22	22	7	22	4	13
		3%	2%	2%	3%	3%	3%	3%	3%	6%	5%	2%	3%	1%	2%
Not very effective	(0)	285	30	50	87	116	37	133	116	30	67	7	59	44	76
		9%	6%	7%	11%	10%	4%	13%	9%	8%	14%	2%	8%	8%	10%
Don't use/no answer		1325	286	328	298	395	464	342	544	175	160	102	289	246	354
		41%	58%	49%	37%	33%	53%	34%	41%	46%	33%	36%	39%	45%	44%

To measure customer satisfaction, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(c) Observations and assessment by independent professionals															
Very effective	(5)	227	31	33	44	117	53	65	112	20	32	27	37	45	71
		7%	6%	5%	5%	10%	6%	6%	8%	5%	7%	9%	5%	8%	9%
	(4)	696	58	91	183	363	140	246	317	78	112	50	146	127	188
		22%	12%	14%	23%	30%	16%	24%	24%	21%	23%	17%	20%	23%	24%
	(3)	614	77	106	166	265	141	215	264	81	94	59	127	107	161
		19%	16%	16%	21%	22%	16%	21%	20%	21%	19%	21%	17%	20%	20%
	(2)	303	43	77	79	101	86	107	112	42	48	33	88	35	64
		9%	9%	11%	10%	8%	10%	11%	8%	11%	10%	11%	12%	6%	8%
	(1)	124	19	26	30	49	37	43	46	22	28	9	34	16	17
		4%	4%	4%	4%	4%	4%	4%	3%	6%	6%	3%	5%	3%	2%
Not very effective	(0)	197	17	43	63	73	29	90	80	18	48	12	42	35	45
		6%	3%	6%	8%	6%	3%	9%	6%	5%	10%	4%	6%	6%	6%
Don't use/no answer		1039	245	296	241	240	394	254	408	119	127	97	268	181	250
		32%	50%	44%	30%	20%	45%	25%	30%	31%	26%	34%	36%	33%	31%

To measure customer satisfaction, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(d) Questionnaires															
Very effective	(5)	276	46	39	66	125	71	78	130	13	34	36	51	57	89
		9%	9%	6%	8%	10%	8%	8%	10%	3%	7%	13%	7%	10%	11%
	(4)	858	77	119	230	431	175	302	387	78	129	79	139	163	267
		27%	16%	18%	29%	36%	20%	30%	29%	21%	26%	28%	19%	30%	34%
	(3)	666	93	159	174	237	185	217	268	76	98	62	142	128	164
		21%	19%	24%	22%	20%	21%	21%	20%	20%	20%	22%	19%	23%	21%
	(2)	311	49	66	84	113	84	100	130	49	44	31	92	41	73
		10%	10%	10%	10%	9%	10%	10%	10%	13%	9%	11%	12%	8%	9%
	(1)	119	20	31	29	38	43	48	34	24	21	10	31	11	22
		4%	4%	5%	4%	3%	5%	5%	3%	6%	4%	3%	4%	2%	3%
Not very effective	(0)	132	15	33	34	49	22	57	56	15	32	6	39	23	22
		4%	3%	5%	4%	4%	3%	6%	4%	4%	7%	2%	5%	4%	3%
Don't use/no answer		837	190	225	189	214	300	217	334	125	130	63	248	123	159
		26%	39%	33%	23%	18%	34%	21%	25%	33%	27%	22%	33%	23%	20%

To measure customer satisfaction, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(e) Personal visits by management															
Very effective	(5)	975	182	223	257	308	333	281	377	119	151	92	237	165	231
		30%	37%	33%	32%	26%	38%	28%	28%	31%	31%	32%	32%	30%	29%
	(4)	1138	167	249	289	431	305	379	463	149	203	109	269	172	267
		36%	34%	37%	36%	36%	35%	37%	35%	39%	42%	38%	36%	32%	34%
	(3)	529	65	102	128	232	123	190	224	51	83	46	118	100	140
		17%	13%	15%	16%	19%	14%	19%	17%	13%	17%	16%	16%	18%	18%
	(2)	155	16	20	40	78	32	55	71	18	17	17	35	31	35
		5%	3%	3%	5%	6%	4%	5%	5%	5%	3%	6%	5%	6%	4%
	(1)	37	4	7	11	15	5	15	19	9	5	4	5	6	8
		1%	1%	1%	1%	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%
Not very effective	(0)	69	5	15	12	37	7	31	31	4	7	1	15	12	30
		2%	1%	2%	1%	3%	1%	3%	2%	1%	1%	*	2%	2%	4%
Don't use/no answer		295	51	56	69	105	75	67	154	30	21	18	63	60	85
		9%	10%	8%	9%	9%	9%	7%	12%	8%	4%	6%	8%	11%	11%

To measure customer satisfaction, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(f) Personal visits by sales people															
Very effective	(5)	1071	158	255	290	364	282	387	416	171	170	92	297	162	214
		33%	32%	38%	36%	30%	32%	38%	31%	45%	35%	32%	40%	30%	27%
	(4)	1109	155	234	279	438	282	393	447	130	195	106	262	200	244
		35%	32%	35%	35%	36%	32%	39%	33%	34%	40%	37%	35%	37%	31%
	(3)	477	64	82	127	202	148	134	199	44	82	52	99	87	120
		15%	13%	12%	16%	17%	17%	13%	15%	12%	17%	18%	13%	16%	15%
	(2)	137	18	25	30	63	42	41	58	13	15	16	31	27	37
		4%	4%	4%	4%	5%	5%	4%	4%	3%	3%	6%	4%	5%	5%
	(1)	35	11	1	8	15	14	8	13	2	5	6	9	8	7
		1%	2%	*	1%	1%	2%	1%	1%	1%	1%	2%	1%	1%	1%
Not very effective	(0)	41	5	13	7	16	5	17	19	2	3	1	8	5	20
		1%	1%	2%	1%	1%	1%	2%	1%	1%	1%	*	1%	1%	3%
Don't use/no answer		329	79	62	66	108	108	38	187	18	17	14	37	57	154
		10%	16%	9%	8%	9%	12%	4%	14%	5%	3%	5%	5%	10%	19%

To measure customer satisfaction, which of the following methods does your company find effective?

Base: All respondents

		Total	Organisation size				Function			Industry					
			<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total		3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
(g) Focus meetings with groups of customers															
Very effective	(5)	580	64	102	166	244	143	204	235	80	99	58	126	102	127
		18%	13%	15%	21%	20%	16%	20%	18%	21%	20%	20%	17%	19%	16%
	(4)	844	82	136	239	387	179	297	370	90	137	88	195	142	212
		26%	17%	20%	30%	32%	20%	29%	28%	24%	28%	31%	26%	26%	27%
	(3)	508	67	102	117	219	143	172	199	58	81	57	117	83	126
		16%	14%	15%	15%	18%	16%	17%	15%	15%	17%	20%	16%	15%	16%
	(2)	221	30	52	50	88	62	65	101	33	31	17	60	29	58
		7%	6%	8%	6%	7%	7%	6%	8%	9%	6%	6%	8%	5%	7%
	(1)	31	4	4	10	13	9	10	12	7	5	-	9	8	7
		1%	1%	1%	1%	1%	1%	1%	1%	2%	1%	-	1%	1%	1%
Not very effective	(0)	156	24	38	44	50	19	66	74	12	35	4	28	35	44
		5%	5%	6%	5%	4%	2%	6%	6%	3%	7%	1%	4%	6%	6%
Don't use/no answer		858	219	238	180	205	325	204	348	100	99	63	207	147	222
		27%	45%	35%	22%	17%	37%	20%	26%	26%	20%	22%	28%	27%	28%

Are regular reports and analysis prepared by your company on current customer satisfaction?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Yes	1555	175	289	385	700	419	485	664	181	216	200	350	235	390
	49%	36%	43%	48%	58%	48%	48%	50%	48%	44%	70%	47%	43%	49%
No	1304	283	330	335	351	395	444	486	145	202	65	317	257	329
	41%	58%	49%	42%	29%	45%	44%	36%	38%	41%	23%	43%	47%	41%
Not sure	262	21	40	73	127	45	75	145	45	57	20	56	44	60
	8%	4%	6%	9%	11%	5%	7%	11%	12%	12%	7%	8%	8%	8%
No answer	80	11	14	13	28	22	14	44	10	12	2	19	10	17
	3%	2%	2%	2%	2%	3%	1%	3%	3%	2%	1%	3%	2%	2%

Buying influence and most room for improvement

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Buying influence														
Price	3.62	3.42	3.54	3.66	3.72	3.48	3.74	3.61	3.64	3.84	3.40	3.68	3.62	3.52
Quality	4.40	4.36	4.41	4.41	4.40	4.40	4.43	4.38	4.50	4.46	4.48	4.49	4.21	4.34
Speed of delivery	3.59	3.50	3.65	3.60	3.60	3.64	3.52	3.62	3.63	3.64	3.53	3.65	3.65	3.53
Design	2.93	2.81	2.84	2.99	2.98	2.82	3.03	2.93	2.61	3.35	3.29	3.15	2.69	2.66
Reliability	4.27	4.21	4.20	4.27	4.33	4.21	4.30	4.29	4.19	4.35	4.46	4.25	4.22	4.20
Packaging	2.27	1.89	2.19	2.35	2.41	2.05	2.51	2.22	2.49	2.10	2.12	2.65	2.07	2.12
Guarantees	2.92	2.56	2.86	2.99	3.05	2.53	3.20	2.95	2.90	3.27	3.10	2.89	2.84	2.79
After-sales service	3.50	3.33	3.56	3.47	3.57	3.37	3.69	3.45	3.36	3.78	4.16	3.23	3.67	3.33
Problem-solving	3.88	3.86	3.90	3.93	3.84	3.83	3.97	3.84	3.94	3.95	3.94	3.62	3.98	3.95
Courtesy	3.72	3.67	3.59	3.80	3.76	3.64	3.71	3.79	3.31	3.52	3.52	3.49	4.07	4.05
Most room for improvement														
Price	2.51	2.16	2.40	2.56	2.68	2.32	2.72	2.47	2.46	2.88	2.76	2.66	2.15	2.41
Quality	3.16	2.98	3.08	3.18	3.25	3.18	3.10	3.17	3.16	3.29	3.23	3.18	3.02	3.13
Speed of delivery	2.99	2.72	3.02	3.02	3.06	2.98	3.05	2.96	2.94	3.18	3.36	3.08	2.93	2.79
Design	2.24	1.87	2.17	2.34	2.36	2.04	2.49	2.17	2.12	2.67	2.44	2.57	1.99	1.91
Reliability	2.82	2.52	2.80	2.86	2.93	2.67	2.90	2.85	2.82	3.11	2.82	2.80	2.66	2.83
Packaging	1.89	1.62	1.86	1.95	1.99	1.74	2.20	1.76	2.34	1.91	1.86	2.34	1.49	1.63
Guarantees	1.89	1.54	1.84	1.96	2.02	1.62	2.20	1.82	1.95	2.39	2.22	1.86	1.47	1.84
After-sales service	2.79	2.56	2.74	2.82	2.89	2.65	2.99	2.71	2.70	3.09	3.30	2.58	2.97	2.58
Problem-solving	3.11	2.95	3.09	3.15	3.17	3.06	3.18	3.08	3.18	3.11	3.32	2.91	3.19	3.17

Buying influence and most room for improvement

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Courtesy	2.99	2.65	2.80	3.03	3.20	2.76	3.05	3.07	2.72	3.03	2.88	2.71	3.22	3.23
Service priority index														
Price	38.65	31.79	35.04	40.62	42.01	34.04	42.29	38.56	37.44	45.40	39.25	40.60	34.52	36.44
Quality	56.43	52.76	54.77	57.32	58.31	56.51	55.42	56.94	57.27	58.76	57.97	57.28	54.33	55.07
Speed of delivery	46.22	41.63	46.64	47.00	47.37	46.37	45.90	46.55	43.86	47.91	49.30	47.27	46.36	44.79
Design	33.13	28.26	31.46	34.57	34.97	30.56	35.71	32.62	30.00	40.07	33.93	37.04	29.30	29.28
Reliability	50.42	45.23	49.03	51.34	52.53	47.47	51.69	51.16	49.64	55.00	50.98	49.34	48.42	50.48
Packaging	24.15	19.20	23.01	25.28	26.03	20.51	27.90	23.31	28.08	22.12	20.42	29.56	20.35	22.49
Guarantees	28.30	21.98	26.11	29.53	31.17	21.84	32.73	28.67	27.60	35.03	30.34	25.75	25.41	28.82
After-sales service	45.16	42.00	44.00	44.87	47.31	42.44	48.19	44.40	40.92	49.51	56.37	38.64	51.56	43.10
Problem-solving	50.89	47.82	50.07	52.34	51.77	49.01	52.94	50.39	52.00	50.91	54.08	45.58	54.04	52.14
Courtesy	47.43	41.63	42.80	49.59	50.92	43.02	48.39	49.40	39.95	45.28	42.86	40.79	54.82	54.58

Do you find that your customer's expectations for new/improved products and services is ..... ?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Reducing	83	11	17	20	35	16	39	28	11	16	6	19	13	24
	3%	2%	3%	2%	3%	2%	4%	2%	3%	3%	2%	3%	2%	3%
About the same	941	159	209	263	310	244	327	385	106	147	57	224	163	258
	29%	32%	31%	33%	26%	28%	32%	29%	28%	30%	20%	30%	30%	32%
Increasing	2129	313	442	517	849	611	650	892	262	320	224	498	360	502
	67%	64%	66%	64%	70%	69%	64%	67%	69%	66%	78%	67%	66%	63%
No answer	46	7	5	6	12	10	2	34	2	4	-	1	10	12
	1%	1%	1%	1%	1%	1%	*	3%	1%	1%	-	*	2%	2%

What do you think are the major obstacles to innovation in your company?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Fear of failure	429	61	80	102	184	132	112	193	66	48	34	105	82	110
	13%	12%	12%	13%	15%	15%	11%	14%	17%	10%	12%	14%	15%	14%
No time/budgets to experiment	1206	264	284	264	393	406	343	475	131	162	107	246	209	353
	38%	54%	42%	33%	33%	46%	34%	35%	34%	33%	37%	33%	38%	44%
Poor interdepartment teamwork	1117	107	234	278	496	283	366	482	137	171	130	261	174	268
	35%	22%	35%	34%	41%	32%	36%	36%	36%	35%	45%	35%	32%	34%
Inadequate overall regard for R&D	619	79	120	207	211	136	241	247	59	128	22	186	112	121
	19%	16%	18%	26%	17%	15%	24%	18%	16%	26%	8%	25%	21%	15%
No answer	276	42	53	56	107	57	81	140	30	30	34	63	56	51
	9%	9%	8%	7%	9%	6%	8%	10%	8%	6%	12%	8%	10%	6%

In your company, is there a specialist department for customer service?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Yes	1626	141	259	413	809	334	569	737	223	266	188	349	264	369
	51%	29%	39%	51%	67%	38%	56%	55%	59%	55%	66%	47%	48%	46%
No, but there should be	479	55	111	165	145	123	186	176	50	67	27	131	87	129
	15%	11%	17%	20%	12%	14%	18%	13%	13%	14%	9%	18%	16%	16%
No	1011	287	291	215	218	406	253	371	103	147	63	249	176	283
	32%	59%	43%	27%	18%	46%	25%	28%	27%	30%	22%	34%	32%	36%
Don't know/no answer	82	7	11	13	34	17	10	55	4	7	9	13	19	15
	3%	1%	2%	2%	3%	2%	1%	4%	1%	1%	3%	2%	3%	2%

In your company, is there a specific customer service strategy included in the overall strategic plan?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Yes	2046	276	392	525	848	565	635	869	244	305	216	432	368	520
	64%	56%	58%	65%	70%	64%	62%	65%	64%	63%	75%	58%	67%	65%
No	899	193	249	209	247	285	296	332	108	137	51	244	144	234
	28%	39%	37%	26%	20%	32%	29%	25%	28%	28%	18%	33%	26%	29%
Don't know/no answer	254	22	31	72	111	30	87	139	28	45	20	66	34	43
	8%	4%	5%	9%	9%	3%	9%	10%	7%	9%	7%	9%	6%	5%

Being truly honest, do you think that service to the customer is a clear and accepted priority throughout your company?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Yes	1784	317	366	425	671	541	518	748	209	253	171	400	342	447
	56%	65%	54%	53%	56%	61%	51%	56%	55%	52%	60%	54%	63%	56%
No, but it should be	1240	154	264	347	473	306	446	502	151	204	108	304	185	306
	39%	31%	39%	43%	39%	35%	44%	37%	40%	42%	38%	41%	34%	38%
No	109	16	29	23	41	26	41	44	16	18	6	26	12	32
	3%	3%	4%	3%	3%	3%	4%	3%	4%	4%	2%	4%	2%	4%
Don't know/no answer	68	3	13	12	23	9	13	46	6	13	3	12	7	12
	2%	1%	2%	1%	2%	1%	1%	3%	2%	3%	1%	2%	1%	2%

In your organisation do you personally have the authority to use your own judgement to satisfy the customer?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Yes	2137	420	510	501	701	755	651	766	248	309	202	537	346	538
	67%	86%	76%	62%	58%	86%	64%	57%	65%	63%	70%	72%	63%	68%
No, but I should be allowed	387	29	57	125	174	42	162	187	48	65	39	77	61	104
	12%	6%	8%	16%	14%	5%	16%	14%	13%	13%	14%	10%	11%	13%
No	486	36	75	139	236	63	155	268	65	78	31	100	108	113
	15%	7%	11%	17%	20%	7%	15%	20%	17%	16%	11%	13%	20%	14%
Don't know/no answer	189	6	30	41	95	20	50	119	19	35	15	29	31	42
	6%	1%	4%	5%	8%	2%	5%	9%	5%	7%	5%	4%	6%	5%

In your organisation, if bureaucracy gets in the way of good customer service is it quickly eliminated?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Yes	1410	316	329	332	432	480	413	540	162	214	108	380	230	343
	44%	64%	49%	41%	36%	55%	41%	40%	43%	44%	38%	51%	42%	43%
No, but it should be	1388	128	269	370	620	341	477	582	173	212	151	289	250	343
	43%	26%	40%	46%	51%	39%	47%	43%	46%	44%	53%	39%	46%	43%
No	176	27	33	45	71	35	58	86	21	19	17	35	34	54
	6%	6%	5%	6%	6%	4%	6%	6%	6%	4%	6%	5%	6%	7%
Don't know/no answer	230	20	41	59	88	26	73	132	26	44	12	39	33	56
	7%	4%	6%	7%	7%	3%	7%	10%	7%	9%	4%	5%	6%	7%

Do you think that giving superior service to the customers of your company is ..... ?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
One of my key responsibilities regardless of my position	2955 92%	470 96%	632 94%	746 93%	1104 92%	851 97%	966 95%	1177 88%	343 90%	442 91%	268 93%	687 93%	513 94%	750 94%
Something for others in the organisation to worry about	109 3%	8 2%	23 3%	27 3%	52 4%	14 2%	27 3%	68 5%	23 6%	20 4%	11 4%	26 4%	19 3%	23 3%
Something for the salespeople to worry about	52 2%	8 2%	12 2%	15 2%	18 1%	6 1%	20 2%	26 2%	9 2%	8 2%	5 2%	18 2%	3 1%	10 1%
Not something I really think about	36 1%	4 1%	7 1%	8 1%	17 1%	3 *	6 1%	27 2%	7 2%	8 2%	2 1%	7 1%	6 1%	5 1%
No answer	75 2%	5 1%	7 1%	16 2%	25 2%	11 1%	14 1%	50 4%	5 1%	10 2%	5 2%	11 1%	9 2%	16 2%

Does your company promote joint customer/company task forces to find better ways to work together?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Yes	1399	184	279	358	577	381	434	600	198	215	156	335	213	314
	44%	38%	42%	44%	48%	43%	43%	45%	52%	44%	54%	45%	39%	39%
No, but they should	998	146	227	261	364	295	335	379	101	157	80	246	180	250
	31%	30%	34%	32%	30%	34%	33%	28%	27%	32%	28%	33%	33%	31%
No	655	152	152	156	193	184	211	271	68	91	33	140	135	194
	20%	31%	23%	19%	16%	21%	21%	20%	18%	19%	11%	19%	25%	24%
Don't know/no answer	147	8	14	31	73	20	38	90	13	24	19	21	18	38
	5%	2%	2%	4%	6%	2%	4%	7%	3%	5%	7%	3%	3%	5%

In order to improve service to your customers have you .... ?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Required suppliers to produce quality goods/ services	1981 62%	274 56%	416 62%	479 59%	810 67%	574 65%	642 63%	791 59%	244 64%	345 71%	193 67%	528 71%	257 47%	450 57%
Required suppliers to be more flexible and responsive in deliveries and deadlines	1235 39%	211 43%	293 44%	290 36%	440 36%	462 53%	324 32%	467 35%	152 40%	199 41%	144 50%	370 50%	146 27%	262 33%
Required suppliers to be more reliable in delivery of goods/ services	1310 41%	223 46%	322 48%	298 37%	464 38%	490 56%	346 34%	498 37%	166 44%	192 39%	161 56%	376 51%	161 29%	297 37%
Required suppliers to connect/link-up with your computer/infotech systems	562 18%	58 12%	86 13%	151 19%	267 22%	128 15%	194 19%	247 18%	64 17%	90 18%	68 24%	102 14%	124 23%	130 16%
No answer	500 16%	103 21%	108 16%	115 14%	153 13%	143 16%	102 10%	263 20%	44 12%	30 6%	33 11%	52 7%	154 28%	164 21%
Commitment to service index	7.82	7.87	7.64	7.67	8.02	8.21	7.61	7.73	7.89	7.59	8.43	7.92	7.81	7.69

Do you think, in general, that improving quality and service to customers is ..... ?

Base: All respondents

	Total	Organisation size				Function			Industry					
		<100	100-499	500-2000	>2000	Gen. mgmt	Sales &Mkt	Other	Oil, chem	Eng & const	I.T.	Other manuf	Finan ser's	Other ser's
Total	3198	490	672	806	1206	880	1018	1339	380	487	287	742	546	796
Not very important for competitive success	53 2%	6 1%	15 2%	15 2%	17 1%	16 2%	14 1%	24 2%	7 2%	7 1%	4 1%	14 2%	8 1%	16 2%
Of equal importance to other activities	613 19%	91 19%	118 18%	153 19%	249 21%	127 14%	224 22%	264 20%	81 21%	119 24%	38 13%	152 20%	95 17%	133 17%
The key to competitive success	2504 78%	392 80%	536 80%	637 79%	938 78%	738 84%	779 77%	1023 76%	292 77%	359 74%	243 85%	575 77%	440 81%	645 81%
No answer	36 1%	3 1%	4 1%	3 *	5 *	1 *	4 *	31 2%	3 1%	3 1%	4 1%	2 *	3 1%	3 *

AMERICAN MANAGEMENT ASSOCIATION
135 West 50th Street, New York, N.Y. 10020